OVERVIEW

China Eximbank provides RMB 350 million government concessional loan for Phase 1 of Tanna and Malekula Road Rehabilitation Project (Linked to Record ID#62666)

COMMITMENTS (CONSTANT USD, 2023)

$58,255,808

Commitment Year • 2014 | **Country of Activity** • Vanuatu | **Direct Recipient Country of Incorporation** • Vanuatu | **Sector** • Transport And Storage | **Flow Type** • Loan

STATUS

Project lifecycle

Completion

- PIPELINE: PLEDGE
- PIPELINE: COMMITMENT
- IMPLEMENTATION
- **COMPLETION**

TIMELINE

Key dates

COMMITMENT DATE
Apr 14, 2014

START (ACTUAL)
Dec 1, 2014

END (ACTUAL)
Jan 6, 2019

FIRST REPAYMENT (ORIGINALLY SCHEDULED)
Apr 12, 2021

LAST REPAYMENT (ORIGINALLY SCHEDULED)
Apr 9, 2034

GEOSPATIAL FOOTPRINT

Map overview

Visualizes the AidData-provided feature geometry for this project.

The purpose of the project was to upgrade 30 km of roads on Tanna Island and 15 km of roads on North Malekula Island. The road on Tanna Island runs from Cross Roads Isangel to Port Resolution (i.e. from Whitegrass Airport through Lenakel to Green Point), and the road on North Malekula Island runs from Lakatoro to Metenesel (i.e. Norsup to Lakatoro to Litzlitz and Aop Corner to Unmet Station). More detailed locational information can be found at: https://www.openstreetmap.org/directions?engine=fossgis_osrm_car&route=-19.4539%2C169.2236%3B-19.6464%2C169.4166#map=12/-19.5525/169.3202 and https://www.openstreetmap.org/directions?engine=fossgis_osrm_car&route=-16.1122%2C167.4381%3B-16.0479%2C167.3852#map=13/-16.0803/167.4090

Stakeholders

Organizations involved in projects and activities supported by financial and in-kind transfers from Chinese government and state-owned entities

ULTIMATE BENEFICIAL OWNERS

At least 25% host country ownership

FUNDING AGENCIES

STATE-OWNED POLICY BANKS
Export-Import Bank of China (China Eximbank)

RECEIVING AGENCIES

GOVERNMENT AGENCIES
Government of Vanuatu

IMPLEMENTING AGENCIES

GOVERNMENT AGENCIES
Vanuatu Ministry of Finance and Economic Management

STATE-OWNED COMPANIES
China Civil Engineering Construction Corporation (CCECC)

LOAN DESECRIPTION

China Eximbank provides RMB 350 million government concessional loan for Phase 1 of Tanna and Malekula Road Rehabilitation Project

Grace period • 7 years | **Grant element** • 56.0077% | **Interest rate (t_0)** • 2% | **Interest type** • Fixed Interest Rate | **Maturity** • 20 years

NARRATIVE

Full Description

PROJECT NARRATIVE

On December 31, 2013, a framework agreement on the provision of concessional loans to support road reconstruction on Tanna and Malekula Islands was signed by the Chinese Government and the Government of the Republic of Vanuatu. Then, on April 14, 2014, China Eximbank and the Government of the Republic of Vanuatu (represented by the Ministry of Finance and Economic Management) signed an RMB 350,000,000 government concessional loan (GCL) agreement [CHINA EXIMBANK GCL NO. 2014 (1) TOTAL NO. (504)] for Phase 1 of the Tanna and Malekula Road Rehabilitation Project. The borrowing terms of the GCL were as follows: a 2% interest rate, a 0% default (penalty) rate, a 20-year maturity, a 7-year grace period, a 0.25% management fee, and a 0.25% commitment fee. The borrower was to use the proceeds of the GCL to finance a commercial contract between the Ministry of Infrastructure and Utilities of the Republic of Vanuatu and China Civil Engineering Construction Corporation (CCECC), which was signed on July 12, 2013.

The purpose of the project was to upgrade 30 km of roads on Tanna Island and 15 km of roads on North Malekula Island. The road on Tanna Island runs from Cross Roads Isangel to Port Resolution (i.e. from Whitegrass Airport through Lenakel to Green Point), and the road on North Malekula Island runs from Lakatoro to Metenesel (i.e. Norsup to Lakatoro to Litzlitz and Aop Corner to Unmet Station).

CCECC was the contractor responsible for implementation. Construction began in December 2014. The project was officially completed on January 6, 2019. China Eximbank also provided a second, RMB 350 million government concessional loan for Phase 2 of the Tanna and Malekula Road Rehabilitation Project (captured in Record ID#62666).

STAFF COMMENTS

1. This project is also known as the Vanuatu Road Rehabilitation Project. The Chinese project title is 瓦努阿图公路升级改造项目一期工程.

2. The Chinese Overseas Development Finance Dataset published by Boston University's Global Development Policy Center in December 2020 identifies this project as being financed with a China Eximbank loan worth $57 million. AidData relies on the face value of the loan (RMB 350,000,000) that is identified in the actual loan agreement [CHINA EXIMBANK GCL NO. 2014 (1) TOTAL NO. (504)] between China Eximbank and the Government of the Republic of Vanuatu.

3. The loan agreement can be accessed in its entirety via https://www.documentcloud.org/documents/20488925-vut_2014_448.